

Message Text

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ORIGIN ACDA-12

INFO OCT-01 ARA-10 ISO-00 CIAE-00 INR-10 IO-13 L-03
NSAE-00 NSC-05 EB-08 NRC-05 OES-09 SOE-02 DODE-00
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DRAFTED BY ACDA/NP:LWATSON; ARA:RSTEVEN
APPROVED BY ARA:AMB. VAKY
OES:MGUHN ARA:FMCNEIL
L:HCHAO
PM:CSTEINER
T:DWELCH
ACDA/GC:FWILLIAMS
ARA:GJONES
ACDA/NP:RLWILLIAMSON
D/HA:MSCHNEIDER

-----036215 310315Z /61

P 310029Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY SANTIAGO PRIORITY

C O N F I D E N T I A L STATE 221448

E.O. 11652: GDS

TAGS: PARM, MNUC, TECH, CI

SUBJECT: POSSIBLE NUCLEAR COOPERATION WITH CHILE

REFS: (A) SANTIAGO 3612; (B) MEMCON 7/4/78

1. AS EMBASSY IS AWARE, CHILE HAS APPROACHED US ON TWO
OCCASIONS CONCERNING THE POSSIBLE SUPPLY OF HIGHLY
ENRICHED URANIUM (HEU) FUEL FOR USE IN ITS TWO RESEARCH
REACTORS -- LA REINA AND LO AGUIRRE. THE FIRST REQUEST WAS
MADE THROUGH THE IAEA IN LATE 1976 AND WAS TURNED DOWN
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(STATE 293925). A REQUEST FOR RECONSIDERATION OF THIS
DECISION WAS MADE BY THE GOC LAST AUGUST AND IS STILL UNDER
REVIEW.

2. WE CONCUR WITH THE EMBASSY VIEW (SANTIAGO 4371) THAT NO
INITIATIVE SHOULD BE TAKEN WHILE THE LETELIER CASE REMAINS
ACTIVE AND THAT OUR RESPONSE TO ANY CHILEAN INITIATIVE

SHOULD BE DELAYED UNTIL AFTER THE LETELIER CASE IS CONCLUDED. INITIATION OF NEW COOPERATION WOULD, OF COURSE, HAVE TO TAKE INTO ACCOUNT OTHER IMPORTANT ADMINISTRATION POLICIES SUCH AS HUMAN RIGHTS.

3. CONCERNED AGENCIES BELIEVE GOC INTEREST IN FUEL FOR ITS REACTORS AND OTHER ISSUES OF POTENTIAL NUCLEAR COOPERATION MAY PROVIDE LEVERAGE TO OBTAIN CHILE'S COOPERATION IN IMPORTANT NON-PROLIFERATION POLICIES. WHILE IT IS UNCLEAR WHETHER GOC WILL ACTUALLY APPROACH EMBASSY IN THIS AREA, THE FOLLOWING POINTS ARE PROVIDED FOR BACKGROUND AND USE, IN THE FUTURE AS NEEDED, PENDING SUBSEQUENT DECISIONS BASED ON PARA 2.

-- US MIGHT BE WILLING TO CONSIDER SUPPLY OF HEU FOR THE LA REINA REACTOR IF CERTAIN CONDITIONS ARE MET (PARA 4);

-- HOWEVER, US WOULD ONLY BE PREPARED TO SUPPLY HEU FOR LO AGUIRRE IF THE USE OF LOW-ENRICHED URANIUM IS CLEARLY SHOWN TO BE TECHNICALLY UNFEASIBLE AND IT COULD BE DEMONSTRATED THAT THE PROJECT IS OF EXCEPTIONAL MERIT. WE DO NOT BELIEVE THAT THIS PROJECT MEETS THIS CRITERION.

-- US MIGHT BE WILLING TO ASSIST CHILE IN A PROGRAM TO MODIFY BOTH LO AGUIRRE AND LA REINA TO ENABLE USE OF LOWER ENRICHMENT FUEL; AND
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-- ANY TRANSFER OF FUEL WOULD REQUIRE NEGOTIATION OF AN APPROPRIATE SUPPLY ARRANGEMENT. THIS MIGHT BE EITHER A US/CHILE BILATERAL AGREEMENT FOR COOPERATION OR A NEW PROJECT/SUPPLY AGREEMENT UNDER THE US-IAEA AGREEMENT (OTHER BILATERAL ISSUES MIGHT AFFECT OUR CHOICE); EITHER WOULD HAVE TO MEET THE REQUIREMENTS FOR NEW AGREEMENTS UNDER US LAW.

4. EMBASSY SHOULD USE FOLLOWING POINTS WHICH PROVIDE MORE SPECIFIC DETAIL OF PARA 3 FOR USE IN GUIDANCE IN DISCUSSIONS OF POSSIBLE FUEL SUPPLY FOR LA REINA REACTOR:

A. GOC WAIVER OF THE PRECONDITIONS FOR ENTRY INTO FORCE OF THE TREATY OF TLATELOLCO AND PROMPT CONCLUSION OF SAFEGUARDS AGREEMENTS PURSUANT TO THAT TREATY WOULD INFLUENCE US WILLINGNESS IN COOPERATING WITH CHILE IN THIS FIELD. IN ADDITION, US WOULD BE MOST ENCOURAGED BY CHILEAN ADHERENCE TO THE NON-PROLIFERATION TREATY (NPT) AND ACCEPTANCE OF THE OBLIGATIONS PURSUANT TO IT. THIS WOULD ENHANCE THE POSSIBILITY OF FUTURE US/CHILE COOPERATION IN THE NUCLEAR FIELD. FYI: WHILE NPT ADHERENCE IS NOT REQUIRED BY LAW,

COOPERATION WITHOUT ADHERENCE MIGHT PROVE DIFFICULT FOR POLITICAL REASONS. END FYI.

B. THE US COULD CONSIDER MEETING THE IMMEDIATE NEEDS FOR HEU FUEL FOR THE LA REINA REACTOR. THE US, HOWEVER, HAS ADOPTED A STRICT POLICY ON THE SUPPLY OF HEU WHICH WE ARE APPLYING TO ALL COUNTRIES. THIS POLICY CALLS FOR:

-- AVOIDING NEW COMMITMENTS TO EXPORT SIGNIFICANT

QUANTITIES OF HEU EXCEPT WHEN THE PROJECT IS OF EXCEPTIONAL MERIT AND THE USE OF LOW-ENRICHED FUEL OR SOME OTHER LESS WEAPONS-USABLE MATERIAL IS CLEARLY SHOWN TO BE TECHNICALLY INFEASIBLE;
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-- REQUIRING PRESIDENTIAL APPROVAL FOR ANY SUPPLY OF HEU GREATER THAN 15 KILOGRAMS;

-- UNDERTAKING EFFORTS TO IDENTIFY PROJECTS AND FACILITIES WHICH MIGHT BE CONVERTED TO THE USE OF LOW-ENRICHED URANIUM INSTEAD OF HEU;

-- TAKING STEPS TO MINIMIZE INVENTORIES OF WEAPONS-USABLE URANIUM ABROAD; AND

-- PRIOR TO ANY SHIPMENT OF HEU, WE WOULD ASK GOC AGREEMENT TO ENTER INTO DISCUSSIONS WITH THE US AIMED AT CONVERSION OF LA REINA TO ENABLE USE OF FUEL OF A LOWER ENRICHMENT, I.E., LESS THAN 20 PERCENT U-235 CONTEXT TO MEET FUTURE NEEDS OF THIS REACTOR.

C. ALTHOUGH IT APPEARS THAT US WOULD NOT BE ABLE TO SUPPLY HEU FUEL FOR THE LO AGUIRRE IN LIGHT OF US POLICY NOT TO MAKE ANY NEW COMMITMENTS OF HEU SUPPLY EXCEPT IN EXCEPTIONALLY WELL-MERITED CASES, WE MIGHT BE PREPARED TO ASSIST CHILE IN EFFORTS TO MODIFY LO AGUIRRE SUFFICIENTLY TO PERMIT THE USE OF LOWER ENRICHED FUEL AS PROPOSED FOR LA REINA.

D. ASSUMPTION OF US-CHILE COOPERATION WOULD, OF COURSE, REQUIRE APPROPRIATE SUPPLY ARRANGEMENTS MEETING THE REQUIREMENTS OF THE NEW US NUCLEAR NON-PROLIFERATION ACT, AND RELATED US NUCLEAR EXPORT POLICIES.

E. THE US WOULD REQUIRE THE AGREEMENT IN PRINCIPLE RETURN OF IRRADIATED HEU FUEL FOLLOWING COOLING TO THE US OR SOME OTHER MUTUALLY AGREEABLE LOCATION WITH APPROPRIATE
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CREDIT TO CHILE FOR THE VALUE OF THE RESIDUAL NUCLEAR
MATERIAL. CHRISTOPHER

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NNN

Message Attributes

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